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**DEMAND CONFORMANCE**

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## **2.0 DEMAND CONFORMANCE**

Formerly, Section 25524 of the California Public Resources Code required that power plants licensed under jurisdiction of the California Energy Commission (CEC) be found in conformance with the CEC's Integrated Assessment of Need (IAN) to be certified by the Commission. The IAN adopted by the CEC is contained in the Commission's biennial Electricity Report.

Senate Bill 110 (SB 110), passed by the Legislature in September 1999 and approved by the Governor on September 28, 1999, legislated several changes to the Warren-Alquist Act, the enabling legislation of the CEC. Section 9 of SB 110 amended Section 25524, eliminating the requirement that new or modified thermal power plants licensed under the CEC's jurisdiction must demonstrate conformance with the most recent Electricity Report IAN.

This change in the Warren-Alquist Act and corresponding changes in the CEC AFC review process became effective on January 1, 2000. Thus no demand conformance analysis is required for the proposed Colusa Power Plant. However, it is the current policy of the State of California that the development of additional electrical generation capacity to meet the state's current and future generation requirements is encouraged. The Governor's office has directed the CEC and other relevant state agencies to prioritize the approval and construction of up to 5,000 MW of new generating capacity within the current year. The urgency to complete development of generation resources is expected to extend into the near future.